DR. C. SILVERA: Seats are given to these seven categories. It is up to the nominated authority of the State or the Ministry concerned to consider the question of Scheduled Caste and Scheduled Tribe candidates.

श्री जनार्दन यादव : ये शिड्यूल्ड कास्ट्स और शिड्यूल्ड ट्राइब का जो है वह अलग है और ये 7 कैटेगरीज जो हैं . . . (**व्यवधान**)

THE PRIME MINISTER (SHRI P. V. NARASIMHA RAO): The hon. Member is referring to some admission on the part of some officials in the Ministry to the effect that some irregularities have come to our notice. If that is so, we will certainly look into those irregularities.

डा. संजय सिंह : माननीय सभापति जी, कुछ समय पूर्व उत्तर प्रदेश सरकार को प्राइवेट सैक्टर में मेडिकल कालेज खोलने की व्यवस्था की है ऐसा लगता है कि अखबारों के माध्यम से यह खबर मिली है कि भारतीय मेडिकल कौंसिल के अनुमोदन में कहीं कोई पला जरूर है जिससे कुछ अवैध मेडिकल कालेज वहां खुले हैं और मुझे जानकारी यहां तक है कि कुछ भारत सरकार ने और मेडिकल कौंसिल ने उनके खिलाफ कोई कार्यवाही भी की है । मैं यह चाहूंगा कि माननीय मंत्री जी इसके बारे में सदन को भी अवगत कराने का कष्ट करें ।

DR. C. SILVERA: Sir this question is regarding the Central Government quota seats in various medical colleges of Bihar and Uttar Pradesh. I think the question asked by the hon. Member does not relate to this

SHRI K. M. KHAN: There are certain private medical colleges in the country, including Hyderabad, which are taking huge donations between Rs. 10 lakhs and Rs. 20 lakhs for admission. Is there any arrangement to monitor the system in these private medical colleges? If so, what action has been taken to curb such practices of illegal donations in the interest of the students seeking admissions? Are there certain guidelines to State Governments to take over such medical colleges?

DR. C. SILVERA: This question again relates to private medical colleges, but is precisely different from the main question. But, Sir, regarding the private medical colleges the Supreme Court has given a ruling and everybody has to follow the Supreme Court ruling.

श्री एस. एस. अहलुवालिया : सभापति महोदय, मैं आपके माध्यम से मंत्री महोदय से जानना चाहूंगा कि केन्द्रीय सरकार द्वारा मेडिकल कालेज में एडमिशन लेने की जो यह प्रथा है इसमें और इसके माध्यम से क्या आतंकवादियों द्वारा मारे गए हमारे पुलिस के जवानों या सेना के जवानों के बच्चों के लिए कोई प्रावधान है या नहीं और जो आपने 56 स्टूडेंट्स को एडमिशन दी है जसमें किसी ऐसे बच्चे को एडमिशन दी है या नहीं दी है और हमारे जो सिविलियन हैं वे आतंकवादियों द्वारा मारे जाते हैं या स्मगलरज द्वारा मारे जाते हैं या बॉम्बे बम ब्लास्ट में मारे गए हों या रायट्स में मारे गए हों ऐसे लोगों के बच्चों की एडमिशन का कोई प्रावधान इस कैटेगरी में रखा है या नहीं ? अगर रखा है, तो यह जो एडमिशन हुए हैं इनमें किसी को एडमिशन दी गई है या नहीं, यह मैं जानना चाहता हूं ?

DR. C. SILVERA: Sir, under the existing guidelines there is no provision for this category of people.

Show cause notices to Government Companies

*344. SHRI SURESH KALMADI: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government have issued show cause notices to 16 Government Companies for violation of the Companies Act, 1956, in relation

to their portfolio management scheme transactions; and

(b) if so, what are the names of such companies?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ): (a) and (b) A statement is laid on the Table of the House.

Statement

Show Cause notices have been issued to 18 Govt. Companies for violation of the pro visions of the Companies Act, 1956 in relation to their Portfolio Management Scheme (PMS) Tran sactions etc. Prosecuttuion under the relevant provisions of the Companies Act, have so far been filed against 8 Govt. Companies. Companywise details are given below :—

Sr. No.	Name of the Company	Contravention of the provisions of the Companies Act, 1956 covered in show cause notice issued to the company and its officers/director
1	2	3
	A. *Government companies against which show-cause notices issued :*	
1.	Pawan Hans Limited	Sections 49, 211, 291 & 292 of the Act
2.	Bharat Heavy Electricals Limited	Sections 49, 211 291 & 292 of the Act
3.	Bharat Petroleum Corporation Limited	Sections 49 & 211 of the Act
4.	Power Grid Corporation of India Limited	Sections 17, 49, 58A, 76, 211 291 & 292 of the Act.
5.	Maruti Udyog Limited	Sections 49 & 292 of the Act
6.	Bharat Aluminum Company Limited	Sections 49 211 and 292 of the Act
7.	Rashtriya Chemicals & Fertilisers Limited	Sections 292 and 370 of the Act
8.	National Research Development Corporation Limited	Section 292(3) and 370 of the Act.
9.	Nuclear Power Corporation of India Limited	Sections 49, 292 & 370 of the Act
10.	Dredging Corporation of India Limited.	Section 49 & 292 of the Act.
Note: :	Instructions have also been issued to the Registrar of Companies to issue show-cause notice to Mishra Dhatu Nigam.	
	B. *Government companies against which prosecutions have filed.*	
1.	Oil India Ltd.	Section 292 & 211 of the Act
2.	National Aluminium Company Limited	Sections 7, 211 & 292 of the Act
3.	Kudremukh Iron Ore Company Limited	Section 211 of the Act
4.	Fertilizer Corporation of India Limited	Section 211 & 292 of the Act.
5.	National Film Development Corporation Limited.	Section 49 & 292 of the Act.
6.	HinduItan Petroleum Corporation Limited	Sections 49, 211 and 292 of the Act.
7.	Gas Authority of India Limited	Sections 211, 292 and 370 of the Act*
8.	Indian Oil Corporation Limited	Sections 49 and 292 of the Act

*Prosecution has been filed under Sections 211 and 292 of the Act.

SHRI SURESH KALMADI: Sir, the Ministry of Law, Justice and Company Affairs has issued 'Show-cause' Notices to 18 Government companies for violation of the Companies Act, 1956 in relation to their portfolio management schemes. Out of these 18 'Show-Cause' Notices issued, action has been taken only against eight companies and prosecution has been launched. I would like to know from the hon. Minister what exact form of prosecution has been launched and what is being done regarding the other ten companies.

SHRI H. R. BHARDWAJ: Sir, I have given a detailed list with the reply. But, with regard to the prosecutions, we have started action against eight companies which are given in the Statement for contravention of various sections of Companies Act, including sections 211 and 292. But they are major violators, I may be permitted to say so. They relate to areas where they have invested the public funds contrary to the provisions of the Company Law and wrong disclosure in balancesheet investment without proper authorisation. These are the major things which we are dealing within our Company Affairs Department. If there is any other violation, then, the CBI takes care of it. So, a massive offensive has been launched with regard to the recommendations of the JPC. We have covered more points than what the JPC has actually recommended. So, we have spared none in the matter.

SHRI SURESH KALMADI: Mr. Chairman, Sir, I am happy that the Government has taken a lot of follow-up action on the JPC report. I would like to know from the hon. Minister what are the remedial measures the Government contemplates to take so that this thing does not recur again.

SHRI H. R. BHARDWAJ: Mr. Chairman, Sir, I am concerned with the Company Law. I cannot say what is happening in the banking industry and elsewhere. We can assure the hon. Member that now we have a computerised system to do the things. If the banancesheet is not filed by the companies, we are prosecuting them immediately. We have relaxed the guidelines and some other things we have done in the Company Affairs Dept. So, there is transparency. If some violations take place somewhere in some transactions, these should be brought to our notice. When we got this information from the JPC, we have taken action immediately.

SHRI S. JAIPAL REDDY: Mr. Chairman, Sir, it is very important for us to recall that the gigantic security Scam was primarily caused on account of the gross misutilisation of the PMS. But the Minister says that presecutions have already been launched against eight Government companies. The Government companies mean, what? Is he going to punish the companies which are owned by the Government or is he going to punish the individuals who are responsible for these deviations and aberrations?

Secondly, Sir, we all know the prosecutions in our country take a long time to fructify. Will he get these prosecutions launched before a special court in the same way as the brokers are dealt with? If not, why? If there is no provision, he should be able to create a legal provision for that.

SHRI H. R. BHARDWAJ: Mr. Chairman, Sir, I would like to inform the hon. Member that the violators under the Company Law are prosecuted under the common Criminal Code. So far as violations under the Scam are concerned, there is already a special court functioning. They are taking care of all aspects, both civil and criminal. I can say that action has been taken with such promptitude that their assets were frozen and a lot of big fish are being caught and are being prosecuted by the CBI. I think that they have spared no effort to prosecute anybody, whether it is a company or whether he is a Director or a Chairman or a Managing Director. Several cases are being filed and are being investigated by the CBI. I do not deal with the CBI. So far as the cases pertaining to the Company Law are concerned, I can give each detail. We are not only prosecuting the companies but their Directors and Executives also.

SHRI S. JAIPAL REDDY: I request the hon. Minister, through you, Sir, to give us the details of the persons against whom these prosecutions are being launched because the companies are owned by the Government and the Company Law Board is not going to punish the Government companies. It will then be an abstract kind of punishment. What is the concrete action that is being contemplated against the officers who manage the companies and who are a privy to all these violations?

SHRI H. R. BHARDWAJ: Mr. Chairman, Sir, if the hon. Member wants the names, I have got the names and I can give these to him. It is not that I do not have the names. But they are all under prosecution under the Company Law. If he wants these names, I can give him the whole list. I can read out a few names.

MR. CHAIRMAN: You read out a few names and the rest you give to him.

SHRI H. R. BHARDWAJ: There is one Shri Surjeet Chalia, Shri Ratnam, Shri Rajeshwar Prasad.

SHRI S. JAIPAL REDDY: What are their designations?

SHRI H. R. BHARDWAJ: They are Chairmen, Managing Directors, Retired CMDs, Director (Finance), Director (Personnel), Director (Operations) and Secretary. Nobody has been spared. And I can assure you, I will not spare anybody.

SHRI S. JAIPAL REDDY: Sir, they do not spare officials. They only spare Ministers.

SHRI SATISH AGARWAL: Mr. Chairman, while replying to the question, the hon. Minister has laid a statement on the Table of the House in which it has been mentioned that against 18 Government companies which have violated the provisions of law, show-cause notices have been issued. May I know from the hon. Minister as to why out of these 18 Government companies, prosecutions have been launched only against eight and not against the ten others? That is part (a) of my question. Part (b) is this. A note has been appended to the reply to the effect that instructions have also been issued to the Registrar of companies to issue a show-cause notice to the Mishra Dhatu Nigam. Now, who has issued these instructions? Why should there be an occasion for issuing instructions? That means in all these 18 cases, show-cause notices have been issued on your instructions. Why did the Registrar not take cognizance of these cases on his own, issue show-cause notices, file prosecutions in competent courts and punish all the directors or persons responsible?

SHRI H. R. BHARDWAJ: Sir, so far as the eight companies are concerned, they were also issued show-cause notices and their replies were received and considered. We did not agree with their replies and having not agreed, we prosecuted them, the company as well as the management. With regard to the remaining 10, we have not received replies to the show-cause notices. As you know, under the law, a show-cause notice is necessary and mandatory and the principles of natural justice also require that anybody who is to be prosecuted must be given a show-cause notice.

SHRI SATISH AGARWAL: What is the provision in the Companies Act? I have the Act with me. There is no provision for issuing a show-cause notice and having a reply before filing any prosecution.

SHRI H. R. BHARDWAJ: I do not agree with this that anybody can be prosecuted without notice. (Interruptions). I do not want to enter into an argument with you. I am replying to you. If you are not satisfied, you can come and see me. I will discuss with you. Where there is any laxity, I will try to see that your point is met. But now I am giving you the procedure which is followed under the Companies Act. Whenever there is a violation, the company has to be told, "You have committed this irregularity. Have you got anything to say?" After the company furnishes its reply, we have to take action.

With regard to eight, we have done it. In the case of seven, we have received replies now. We are taking the appropriate action after appraisal of their replies. Only three remain whose replies have not been received. We have given them an ultimatum saying "Either you reply or we will presume that there is nothing to be said." This additional company, Mishra Dhatu Nigam, came to our notice on our scrutiny, when we inspected. Then we issued a notice to it also. It was not because of the JPC. On examination and inspection, we found certain irregularities. We have instructed the authorities to start the action.

SHRI GURUDAS DAS GUPTA: Sir, I welcome the statement of the Minister that nobody will be spared. But while discussing the safeguards for the future, the Minister only harps on transparency. We have found that even sufficient safeguards regarding transparency have not been able to prevent this. Therefore, I would like the hon. Minister to tell the House whether he contemplates any change of law because the surplus funds of the companies have been flowing to the stock market even now. We have come across the M.S. Shoes case. It is there in the private and public sectors, everywhere. The Ministry of Company Affairs looks after all the companies. Therefore, what is the safeguard that the hon. Minister contemplates to ensure that the funds raised for construction, the funds raised for production, business and all that, do not come into speculative transactions? That is part (a) of my question. Part (b) is, while finding out irregularities and while identifying the transfer accountability... of the important persons who have been heading these institutions, will the Minister as also the Government contemplate taking action against those who had retired but whose names also appeared in such cases?

Thirdly, there have been misleading audited accounts and the auditors have been found playing with the accounts. There are many cases. I do not want to take the time of the House.. Therefore, while looking into these cases, both public and private, will the Government take steps to ensure that the auditors do not play with the accounts in future?

SHRI H. R. BHARDWAJ: Sir, the question asked by the hon. Member is very lengthy and I would like to answer each point one by one. So far as the JPC report is concerned, our primary duty is to see that the full requirements of the JPC report are met and that is why I submitted that the JPC/has directed the Department of Company Affairs to do the inspection and deal with the violations of the Company Law. That is why, I have submitted that notices have been issued to these 18 companies and to some other companies also.

Now, with regard to inside trading by the companies and some PMS violations, the violations have to be dealt with somewhere else. That has been reflected in Appendix 23 to the ATR. You will find that it has been listed there and we do not want to leave anything. We are amending the Companies Act. We have already amended the SEBI Act. I have given full powers to the SEBI to take action there and then and they are now adjudicating and deciding the violations in respect of protection of investors. But, this problem of investment of certain funds by the PSUs was in contravention of the Companies Act and we have highlighted it and said that it should not be done. Therefore, action has been taken not only under the Companies Act but the CBI also is prosecuting them under sections 409, 420, 471 and 468 of the Cr. P. C. Nothing more can be expected. The JPC has gone into it and has found out everything. After going into it, this House and the other House have suggested a certain course of action and it is our duty to implement that and satisfy them. That is why the CBI has prosecuted very high officials of certain banks and certain institutions. Action is still going on. Therefore, wherever we find that anything needs to be done, we are doing that and nobody is going to be spared.

SHRI GURUDAS DAS GUPTA: What about the auditors? (Interruptions)

SHRI SATISH AGARWAL: Mr. Chairman, Sir, I draw your attention to section 211 of the Companies Act. (Interruptions)

MR. CHAIRMAN: There are only a few minutes left and I want to give a chance to another Member. You have had your chance. Shri Jagesh Desai.

SHRI JAGESH DESAI: Sir, I have to put my question in two parts. The first question is about the Railway Finance Corporation and the JPC has made remarks about this Corporation in respect of investment in its report for the year 1989-90. I would like to know whether the Government will again look into it and find out whether any breach of Company Law was there and if so, why it was not prosecuted.

Secondly, many leading chartered accountants' firms were found to have not taken due care. I would like to know whether your Ministry is going to refer such matters to the institute of Chartered Accountants to take disciplinary action against such auditors so that a proper example can be set and the auditors may realise that they have to audit the accounts with due care.

SHRI H. R. BHARDWAJ: Sir, we have not spared any firm of chartered accountants or the auditors. I may submit that on 26th June, 1994, we had addressed a letter to the Institute of Chartered Accountants of India for action by the Institute under the breech of professional ethics because they are the disciplinary authority in respect of this profession.

SHRI SATISH AGARWAL: How many?

SHRI H. R. BHARDWAJ: I will tell you. You have dealt with all these things in the JPC report. I don't think there is any room for any doubt. You have gone into all these thing. You have supplied the names to me. That is why we issued the show-cause notices. what more can we do in respect of these matters?

SHRI JAGESH DESAI: What about the Railway Finance Corporation?

SHRI H. R. BHARDWAJ: I would like to inform the hon. Member that we are still examining the matter and wherever any violation is found, we will take appropriate action. This much I can assure him.

As regards the lapse on the part of the auditors, I have got in touch with the CAG and we are taking action.

MR. CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

Cosmetic surgery treatment in Government Hospitals

*345. SYED SIBTEY RAZI: Will the PRIME MINISTER be pleased to state:

(a) whether Government propose to introduce cosmetic surgery treatment in Government Hospitals in case medical experts of Government are satisfied with these treatments; and

(b) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND FAMILY WELFARE (DR. C. SILVERA): (a) and (b) Cosmetic Surgery facilities are available in the Burns and Plastic Surgery Departments of Government Hospitals and in Reconstructive Surgery Units.

Percentage of Women Judges

*346. SHRI TINDIVANAM G. VENKATRAMAN: Will the PRIME MINISTER be pleased to state:

(a) the percentage of Women Judges in High Courts in India;

(b) whether the percentage would be raised to 50 per cent as agitated by Women Lawyers;